

July 3, 2017

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: **Notice of Ex Parte – Misuse of Internet Protocol (IP) Captioned Telephone Service, Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CG Docket Nos. 03-123 & 13-24**

Dear Ms. Dortch:

On June 29, 2017, Bob Rae, President, Chief Executive Officer and President of ClearCaptions LLC (“ClearCaptions”) Michael Strecker, Vice President of Regulatory Affairs, ClearCaptions, and Paul Besozzi, Squire Patton Boggs (US) LLP, counsel to ClearCaptions, met separately with (a) Claude Aiken, Wireline Legal Advisor to Commissioner Mignon Clyburn, (b) Amy Bender, Wireline Legal Advisor to Commissioner Michael O’Rielly, and (c) Nicholas Degani, Senior Counsel, and Zenji Nakazawa, Public Safety and Consumer Protection Advisor, to Chairman Ajit Pai, respectively.

In each meeting, Clear Captions reviewed its current positions on the following issues relating to Internet Protocol Captioned Telephone Service (“IP CTS”): (1) use of Automatic Speech Recognition (“ASR”) with IP CTS; (2) IP CTS rate structure; and (3) IP CTS customer qualification.

1. ASR – ClearCaptions reported on its own efforts to develop ASR technology and stressed that when ASR technology is ready for deployment, any transition must be seamless to the consumer while not producing any degradation of service. The Company noted that testing of ASR technologies should reflect real world realities where most IP CTS customers have traditional landline telephone services.

The Company stressed that in examining any potential readjustment in the IP CTS per-minute rates mechanism, the Commission must consider the inevitable impact on continued investment in ASR development. ClearCaptions conceded that research and development expenditures are not *per se* included under current categories of IP CTS costs. However, the reality is that capital is necessary to make progress toward an ASR solution

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and near-term rate reductions would challenge ClearCaptions' ability to continue its efforts at a critical time.

ClearCaptions did support the concept of a separate ASR rate that would incent providers to move minutes to ASR should such movement be the Commission's goal. The Company believed such a financial incentive would motivate providers to invest in ASR technology and create a reward mechanism for doing so. However, ClearCaptions noted that an ASR rate of \$0.29 per-minute as suggested by VTC Secure is, based on the Company's experience in providing full suite of IP CTS services, unrealistic.

Finally, Clear Captions asked the Commission to address the permissibility of cloud-based ASR engines and whether such an engine can be considered a Communications Assistant under the rules

2. IP CTS Rate Structure – ClearCaptions expressed its ongoing support for the current Multi-State Average Rate Structure System (“MARS”) for establishing annual IP CTS rates, particularly for a company of the size of ClearCaptions. In that regard, the Company stated its support for a tiered rate structure for IP CTS that recognizes the realities of the marketplace.

The Company posited that if the Commission were to reconsider MARS and look at IP CTS provider costs as a basis for rates, the traditional data cited, for example, in the *RL 2017-2018 Estimate*, paint an incomplete picture of what it costs to provide IP CTS service due, at least in part, to unrealistic limitations on generally accepted allocations of General and Administrative expenses. In addition, research and development expenses, necessary to the development of ASR, are not considered allowable costs. Finally, the Company noted that in considering allowable costs as a basis for setting rates, the Commission should recognize the difference between a “stand-alone” IP CTS provider such as Clear Captions — which incurs all of its General and Administrative expenses in connection with providing IP CTS — and larger companies which allocate such expenses (e.g., executive salaries) to other services being provided. This was another reason for adopting a tiered rate structure.

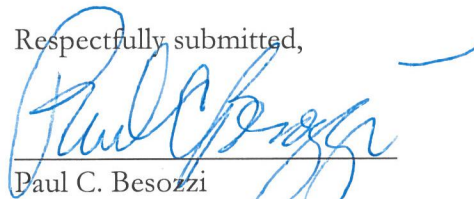
3. IP CTS Customer Qualifications – ClearCaptions expressed support for the use of third party certifications to ensure that only eligible consumers are making use of IP CTS services. However, the Commission must enforce the existing rules regarding impermissible relationships between, for example, audiologists and IP CTS service providers. ClearCaptions reiterated that on a number of occasions audiologist offices declined to honor a patient's medical release form and sign ClearCaptions's professional certification form because the office reported that their corporate office signed an agreement with a single IP CTS provider and were not allowed to assist. The Commission's existing rules proscribe joint marketing arrangements between hearing health professionals and IP CTS providers. ClearCaptions believes that such exclusive arrangements are inconsistent with that prohibition and create a potential barrier for ClearCaptions and its customers. The Company noted that should mandatory third party certifications be reinstated, existing certifications obtained — even though not required — should be grandfathered. In connection with any such reinstatement, ClearCaptions urged the Commission to issue a public notice further clarifying permissible relationships between audiologists and IP CTS providers, and to work

with consumer groups and IP CTS providers to clarify the qualifications of individuals authorized to make such certifications.

Finally, ClearCaptions stressed that it wants to work with the Commission to address these key IP CTS issues and to help reflect the realities of the marketplace in the solutions.

This filing is made in accordance with Section 1.1206(b)(1) of the Commission's rules.¹

Respectfully submitted,



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¹ 47 C.F.R. § 1.1206(b)(2).